



PSC NEWS

Missouri Public Service Commission

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 900

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FOR IMMEDIATE RELEASE

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NATURAL GAS RATES TO CHANGE FOR MISSOURI GAS ENERGY CUSTOMERS

JEFFERSON CITY--To reflect estimated changes in the cost of natural gas for the remaining summer season as well as completion of a wholesale supplier refund to customers, the natural gas rates of Missouri Gas Energy (MGE) customers will increase under a filing reviewed and accepted by the Missouri Public Service Commission. This rate change will take effect on July 1, 2005.

MGE reduced rates in March by 14.4 cents per Ccf, from 83 cents to 68.6 cents per Ccf, to primarily reflect a pipeline supplier refund which has now been returned to MGE customers.

A residential customer currently pays approximately 68.6 cents per Ccf (per 100 cubic feet of gas). Under this filing, the rate will increase to approximately 91.5 cents per Ccf (per 100 cubic feet of gas), an increase of approximately 23 cents per Ccf. Under this filing, natural gas rates for a typical residential heating customer will increase by a total of approximately \$29 for the period of July through October when compared to the rates currently in effect.

Approximately 65% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas** (the cost your local natural gas company must pay to its suppliers for natural gas) **is not regulated by the Missouri Public Service Commission.** The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for its customers.

MGE serves approximately 500,000 natural gas customers in western Missouri.